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Noted
JSE

8 December 1966

MEMORANDUM FOR THE RECORD

SUBJECT: Procurement Report

1. I ran into Sid Gottlieb in the hall yesterday. He said that the four Directorates were in agreement on what should be done in relation to the main recommendation about how to "centralize" R&D procurement. He noted that it took something like the report to get everyone together, and he said he had won a bet with [REDACTED] over the likely outcome.

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2. Sid said he was surprised that a group as perceptive as the consultants (he feels their fact-finding and analysis work was of a very high order) missed on the best way to accomplish their objectives. He said the consultants found that procurement worked best when contract officers and R&D types were together, but that rather than centralizing contracting officers together in the DDS&T, as was recommended, they should be assigned out to the R&D elements, working under a single policy guide. They should have real authority to contract, subject to the level of authority of the component to which they are assigned, and their fitness reports would be written there. This apparently is the line that the Directorates are agreed on taking in their responses to the report. I told Sid that such a line was considered by the consultants, but that they were impressed with the dollar volume of DDS&T procurement, the fact that the basic expertise was there, and that this led them to a proposal to "centralize" there.

3. Sid didn't say what positions were taken on other issues. The answers are due about now.

[REDACTED]

S. D. Breckinridge

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